

AMENDED IN ASSEMBLY JUNE 20, 2000

AMENDED IN SENATE MAY 8, 2000

SENATE BILL

No. 1927

Introduced by Senator Haynes

February 24, 2000

An act to amend ~~Section 6405~~ *Sections 6405 and 6408* of the Business and Professions Code, relating to legal document assistants and unlawful detainer assistants.

LEGISLATIVE COUNSEL'S DIGEST

SB 1927, as amended, Haynes. Legal document assistants.

Existing law generally regulates, until January 1, 2003, legal document assistants, as defined, and, among other things, provides for the registration by the county clerk of those persons. Existing law requires an applicant for a certificate of registration to provide a bond in the amount of \$25,000.

This bill would reduce the amount of the bond that a legal document assistant who limits his or her practice solely to assisting either party in a small claims court action *in the County of Riverside* is required to provide for a certificate of registration from \$25,000 to \$5,000. *This bill would require an application for a certificate of registration under these circumstances to be accompanied by a statement signed under penalty of perjury, thereby creating a new crime. This bill would enact other related provisions.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated

by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6405 of the Business and
2 Professions Code is amended to read:

3 6405. (a) (1) Except as provided in paragraph (3),
4 application for a certificate of registration by an
5 individual shall be accompanied by a bond of twenty-five
6 thousand dollars (\$25,000) executed by a corporate surety
7 qualified to do business in this state and conditioned upon
8 compliance with this chapter. The total aggregate
9 liability on the bond shall be limited to twenty-five
10 thousand dollars (\$25,000).

11 (2) An application for a certificate of registration by a
12 partnership or corporation shall be accompanied by a
13 bond of twenty-five thousand dollars (\$25,000) executed
14 by a corporate surety qualified to do business in this state
15 and conditioned upon compliance with this chapter. The
16 total aggregate liability on the bond shall be limited to
17 twenty-five thousand dollars (\$25,000). An application for
18 a certificate of registration by a person employed by a
19 partnership or corporation shall be accompanied by a
20 bond of twenty-five thousand dollars (\$25,000) only when
21 the partnership or corporation has not posted a bond of
22 twenty-five thousand dollars (\$25,000) as required by this
23 subdivision.

24 ~~(3) An application for a certificate of registration by an~~
25 ~~individual operating as a legal document assistant who~~

26 (3) *A legal document assistant who files an application*
27 *for a certificate of registration in the County of Riverside,*
28 *who limits his or her practice to that county, and who*
29 *limits his or her practice solely to assisting either party in*
30 *a small claims court action shall be accompanied by, may,*
31 *in lieu of providing a bond of twenty-five thousand dollars*

1 (\$25,000), *provide* a bond of five thousand dollars
 2 (\$5,000) executed by a corporate surety qualified to do
 3 business in this state and conditioned upon compliance
 4 with this chapter. The total aggregate liability on the
 5 bond shall be limited to five thousand dollars (\$5,000). *An*
 6 *application for a certificate of registration accompanied*
 7 *by a bond of five thousand dollars (\$5,000) as authorized*
 8 *by this paragraph shall include a declaration signed under*
 9 *penalty of perjury by the legal document assistant that he*
 10 *or she limits his or her practice solely to assisting parties*
 11 *in small claims court actions.*

12 (4) The bond may be terminated pursuant to Section
 13 995.440 of, and Article 13 (commencing with Section
 14 996.310) of Chapter 2 of Title 14 of Part 2 of, the Code of
 15 Civil Procedure.

16 (b) The county clerk shall, upon filing of the bond,
 17 deliver the bond forthwith to the county recorder for
 18 recording. The recording fee specified in Section 27361 of
 19 the Government Code shall be paid by the registrant. The
 20 fee may be paid to the county clerk, who shall transmit it
 21 to the recorder.

22 (c) The fee for filing, canceling, revoking, or
 23 withdrawing the bond is seven dollars (\$7).

24 (d) The county recorder shall record the bond and any
 25 notice of cancellation, revocation, or withdrawal of the
 26 bond, and shall thereafter mail the instrument, unless
 27 specified to the contrary, to the person named in the
 28 instrument and, if no person is named, to the party
 29 leaving it for recording. The recording fee specified in
 30 Section 27361 of the Government Code for notice of
 31 cancellation, revocation, or withdrawal of the bond shall
 32 be paid to the county clerk, who shall transmit it to the
 33 county recorder.

34 (e) In lieu of the bond required by subdivision (a), a
 35 registrant may deposit twenty-five thousand dollars
 36 (\$25,000) or five thousand dollars (\$5,000), as applicable,
 37 in cash with the county clerk.

38 (f) If the certificate is revoked, the bond or cash
 39 deposit shall be returned to the bonding party or
 40 depositor subject to subdivision (g) and the right of a

1 person to recover against the bond or cash deposit under
2 Section 6412.

3 (g) The county clerk may retain a cash deposit until
4 the expiration of three years from the date the registrant
5 has ceased to do business, or three years from the
6 expiration or revocation date of the registration, in order
7 to ensure there are no outstanding claims against the
8 deposit. A judge of a municipal or superior court may
9 order the return of the deposit prior to the expiration of
10 three years upon evidence satisfactory to the judge that
11 there are no outstanding claims against the deposit.

12 *SEC. 2. Section 6408 of the Business and Professions*
13 *Code, as amended by Section 15 of Chapter 1079 of the*
14 *Statutes of 1998, is amended to read:*

15 6408. (a) The registrant's name, business address,
16 telephone number, registration number, and county of
17 registration shall appear on any solicitation or
18 advertisement, and on any appropriate papers or
19 documents prepared or used by the registrant, including,
20 but not limited to, contracts, letterhead, business cards,
21 correspondence, documents, forms, claims, petitions,
22 checks, receipts, money orders, and pleadings.

23 (b) *In addition to the requirements of subdivision (a),*
24 *all registrants who post a reduced bond pursuant to*
25 *paragraph (3) of subdivision (a) of Section 6405 shall*
26 *include on any solicitation or advertisement, and on the*
27 *registrant's work product, including, but not limited to,*
28 *letterhead, correspondence, documents, forms, claims,*
29 *petitions, checks, receipts, money orders, pleadings, and*
30 *other papers, a statement that the registrant is only*
31 *authorized to provide services in small claims court*
32 *matters.*

33 (c) This section shall remain in effect only until
34 January 1, 2003, or the date the director suspends the
35 requirements of this chapter applicable to legal
36 document assistants pursuant to Section 6416, whichever
37 first occurs, and as of that date is repealed, unless a later
38 enacted statute, that is enacted before that date, deletes
39 or extends that date.

1 *SEC. 3. No reimbursement is required by this act*
2 *pursuant to Section 6 of Article XIII B of the California*
3 *Constitution because the only costs that may be incurred*
4 *by a local agency or school district will be incurred*
5 *because this act creates a new crime or infraction,*
6 *eliminates a crime or infraction, or changes the penalty*
7 *for a crime or infraction, within the meaning of Section*
8 *17556 of the Government Code, or changes the definition*
9 *of a crime within the meaning of Section 6 of Article*
10 *XIII B of the California Constitution.*

